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Behind the Economic Figures: Large-scale Mining and Rural Poverty Reduction in Zambia, the Case of Kansanshi Copper Mine in Solwezi.



A thesis presented in partial fulfillment of the requirements for the Degree of
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at Massey University, Palmerston North,
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ABSTRACT

Mining is promoted as a lead-economic sector in most mineral-rich countries. Depending on the contemporary global development ideology, the place of mining within the development industry has always been justified. Under the poverty reduction agenda, which took the centre-stage in the late 1990s and early 2000s, it has been argued in theory that investments, especially in large-scale mining would lead to poverty reduction in mining communities through opening up economic opportunities in which they can participate; increase their capabilities to participate in the local economies; enhance their security by reducing their vulnerability and exposure to risks; and empowering them to participate in issues that affect their lives.

Zambia as a mineral-rich country adapted the linkages between mining and poverty reduction and promoted the development of Kansanshi copper mine within the country's macroeconomic policy framework of achieving sustained economic growth and poverty reduction. Because of the positive response of the mining sector to huge investments, the domestic economy has been recording positive growth rates in excess of 5 percent since the beginning of the 2000s, with other economic indicators such as inflation, currency appreciation, and balance of payments recording positive trends.

Applying the Sustainable Livelihoods Framework (SLF), this thesis explores the extent to which the development of Kansanshi copper mine in Solwezi has impacted on local people's livelihoods in the context of the four linkages between mining and poverty reduction promulgated in theory. It comes out clearly in the thesis that the development of the mine has opened up economic opportunities that are in areas that do not allow the full participation of local people; the development of local people's capabilities is either minimal or non-existent; mine development enhanced local people's vulnerability and exposure to risks through displacement and seizure of productive systems; and disempowered them through the way mining and land rights were obtained from the government.

The thesis concludes on the note that since mining development cannot be stopped, there is need for governments to deliberately cater for local people who often struggle to fit within the transformed local economies through comprehensive implementation frameworks that promote interaction among parties involved and improved communication channels, skills training and provision of relevant resources such as agricultural inputs and microcredit facilities.

DEDICATIONS

This thesis is dedicated
to my beloved daughter Lushomo Namoonga Cheelo,
who was born when I was in the midst of my Masters' studies.
Long live girl.

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GLOSSARY OF TERMS AND ACRONYMS

<i>Munkoyo</i>	Local brew
<i>Ba Israeli</i>	Villages identifying with a religious sect call “The Israelites”
ADB	Asian Development Bank
AFRODAD	African Forum and Network on Debt and Development
AIDS	Acquired Immuno Deficiency Syndrome
CEDLA	Centre for Latin American Research and Documentation
CHAMP	Comprehensive HIV/AIDS Management Programme
CPIA	Country Policy and Institutional Assessment
CSPR	Civil Society for Poverty Reduction
DC	District Commissioner
DDH	District Director of Health
DFID	Department for International Development
DFS	Defensive Feasibility Studies
DRC	Democratic Republic of Congo
ECZ	Environmental Council of Zambia
EDRC	Economic Development Research Centre
ERIP	Economic Recovery and Investment Project
ERP	Economic Recovery programme
ESA	Economic and Structural Adjustment
ESAC	Economic and Structural Adjustment Credit
ESAF	Enhanced Structural Adjustment Facility
FGD	Focused Group Discussion
FQM	First Quantum Minerals Limited
GDP	Gross Domestic Product
GNP	Gross National Product
GRZ	Government Republic of Zambia
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries

HIV	Humane Immunodeficiency Virus
IAD	Inter-American Development
IDA	International Development Assistance
IFI	International Financing Institutions
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IRR	Impoverishment, Risk and Rehabilitation Model
KCM	Konkola Copper Mines
LADDER	Livelihoods and Diversification and Directions Explored by Research
LCMS	Living Conditions Monitoring Survey
MACO	Ministry of Agriculture and Cooperatives
MDGs	Millennium Development Goals
MFNP	Ministry of Finance and National Planning
MMMD	Ministry of Mines and Minerals Development
MMD	Movement for Multiparty Democracy
MNCs	Multinational Corporations
MP	Member of Parliament
MTEF	Medium Term Expenditure Framework
NCCM	Nchanga Consolidated Copper Mines
NGO	Non-Governmental Organisation
NPV	Net Present Value
OECD	Organisation for Economic Cooperation and Development
PNG	Papua New Guinea
PRGF	Poverty Reduction and Growth Facility
PRP	Poverty Reduction Programme
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Papers
PTA	Parents - Teachers' Association
RCCM	Roan Consolidated Copper Mines
SACCORD	Southern African Centre for Constructive Resolution of Disputes
SAP	Structural Adjustment Programme

SAPRIN	Structural Adjustment Participatory Review International Network
SDHMT	Solwezi District Health Management Team
SLF	Sustainable Livelihoods Framework
SMC	Solwezi Municipal Council
STDs	Sexually Transmitted Diseases
TBA	Traditional Birth Attendants
TNCs	Transnational Corporations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIP	United National Independence Party
UK	United Kingdom
USA	United States of America
US\$	United States of America Dollar
USSR	Union of Soviet Socialist Republics
VAT	Value Added Tax
WDR	World Development Report
ZAMSIF	Zambia Social Investment Fund
ZCCM	Zambia Consolidated Copper Mines
ZCCM-IH	Zambia Consolidated Copper Mines – Investment Holdings
ZDES	Zambia Demographic Education Survey
ZDHS	Zambia Demographic Health Survey
ZIMCO	Zambia Industries and Mining Corporation
ZMK	Zambian Kwacha
ZNS	Zambia National Service